

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL TWO)

Docket No. RM2018-5

MOTION OF THE UNITED STATES POSTAL SERVICE
TO ADJUST PROCEDURAL SCHEDULE
(July 5, 2018)

Order No. 4630 (June 1, 2018) established the procedural schedule in this proceeding, and set July 16 as the deadline for initial comments. In conjunction with Amazon.com Services, Inc. and United Parcel Service, the Postal Service hereby seeks an adjustment in the due date for comments to accommodate an agreement among the parties to facilitate access to relevant non-public information. As explained below, such an adjustment would result in an opportunity for more informed comments, while allowing better protection of the commercial interests of the Postal Service.

Concurrent with the filing of the Petition to initiate this docket on May 25, 2018, the Postal Service submitted folder USPS-RM2018-5/NP1, containing nonpublic material relating to Proposal Two. A slightly revised version of USPS-RM2018-5/NP1 was filed on June 11, 2018. Subsequently, another nonpublic folder (USPS-RM2018-5/NP2) was submitted on June 29, containing the nonpublic material relating to the responses to ChIR No. 1.

Over the last week, both Amazon and UPS independently contacted the Postal Service seeking its consent to their requests for access by their designated representatives to these nonpublic materials under standard protective conditions. Extensive discussions followed these contacts, however, because the Postal Service

was concerned about data and information appearing within those folders that relates to its vital business interests, but is not essential to the evaluation of the merits of Proposal Two.

Two types of such information were identified. First, many of the underlying datasets contain geographical indicators such as zip codes, finance numbers, or even facility names that would link other data elements to particular places or areas. Yet while such information has obvious commercial sensitivity, the analyses supporting Proposal Two do not rely on such geographical elements of the datasets. Second, the nonpublic Impact table and materials show not only the changes in costs and unit costs that would result when the different inputs from Proposal Two (relative to input generated by the existing procedures) are fed into the cost models, but also show the actual cost amounts by competitive product. Given that the rates charged for many of these competitive products are set through a negotiation process, restricting disclosure of such explicit cost information whenever possible is highly desirable. In contrast, a version of the nonpublic Impact table which only showed changes in unit cost by product would still allow evaluation of the relative impact of Proposal Two among competitive products, but would not directly reveal the absolute amounts of the product costs associated with the existing and proposed procedures.

Both Amazon and UPS have indicated a willingness to accept access to a new set of the nonpublic materials containing the core elements of USPS-RM2018-5/NP1 and USPS-RM2018-5/NP2, but with the material identified above removed. Access to even this version of the materials would allow them to more fully explore the bases for Proposal Two, and thus to potentially submit comments that would be more helpful to

the Commission in its evaluation of the proposal. Therefore, the Postal Service is willing to undertake the effort to produce this truncated new set of nonpublic material, but, unfortunately, such an effort (notably with respect to the geographic indicators widely interspersed within the datasets) would take time. The Postal Service estimates the time likely required would be approximately one week, but could perhaps extend to ten days. Under the existing procedural schedule, it would not be possible for Amazon and UPS to wait that long for access and still have sufficient time to prepare comments by the current deadline of July 16.

Therefore, the Postal Service respectfully requests that the Commission reset the procedural schedule in this proceeding and push back the deadline for comments by ten days, to July 26, 2018. The Postal Service, in turn, would endeavor to provide the new set of nonpublic materials by Monday, July 16. If the materials can be generated more quickly, however, they would be filed upon completion.¹ If for some unanticipated reason the Postal Service could not submit the new set of materials by July 16, the due date for comments perhaps might again need to be revisited, but the Postal Service expects resort to such a contingency would be unnecessary. For their part, Amazon and UPS would forgo the opportunity to seek access to folders NP1 and NP2, and would instead seek access to the new truncated versions of those materials prepared under this arrangement.

The Postal Service has been authorized to represent that Amazon and UPS are in agreement within the steps identified above, and support this motion. The Public Representative has also been contacted and does not object to the deadline extension.

¹ Specifically, the alternative Impact material showing unit cost changes by competitive product is being filed today within USPS-RM2018-5/NP3.

The Postal Service views informal resolution of potential complications as exemplified by the parties in this instance as beneficial aids in the conduct of proceedings addressing the multitude of complex issues inherent in postal costing, and hopes that the proposed procedural adjustment can be accommodated by the Commission.

Therefore, the Postal Service respectfully requests that the due date for comments in the proceeding be reset to July 26, in order to allow achievement of the other steps outlined above.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
July 5, 2018